



30 June, 2009

Yell Group plc

Yell Commences Capital Restructuring Process

Trading Update and Short Term Guidance

Yell Group plc (LSE: YELL) ("Yell" or "the Group") today announces that it has embarked upon a process to comprehensively refinance the Group. This will lead to the Group holding discussions with its debt holders with a view to extending the maturity and changing the terms of its debt facilities and, in due course, to discussions with its principal shareholders.

These discussions and the resulting processes are expected to take through to the Autumn to complete.

Yell is today also up-dating the market on current trading and short term guidance.

During this calendar year, the total volume of advertising industry spend has shown marked declines across all media in each of the regions in which the Group operates, as a consequence of the continued economic downturn and uncertainty. Yell believes it continues to out-perform the overall rate of this decline in advertising spend, showing relative resilience, because of its ability to demonstrate to its advertising customers the cost-effectiveness of its services in each of its channels.

For the first quarter ending June 30, 2009, Yell therefore reaffirms that trading is in line with the guidance and expectations it set on 20 May, 2009, when it published its preliminary results for the year ended 31 March, 2009.

At constant exchange rates, Q1 revenues are expected to be around 11% lower, and Q1 EBITDA is expected to be around 20% lower than the comparable period last year. Reported results, reflecting the benefit of the weaker pound, are expected to show revenues up by around 1% and EBITDA down by around 10%. As also guided on May 20, 2009, the reduction in EBITDA stems from the lower revenues and increased planned investment in the quarter relative to one year earlier. Cash flows and cash conversion have remained very strong in the quarter, and covenant headroom at 30 June, 2009, is expected to be around 14% (15% at 31 March, 2009).

Yell's second quarter is historically a weaker quarter, with revenue growth typically between some 3 to 4 percentage points lower than Q1. Reflecting this and the reduction in total advertising market spend, at constant exchange rates, Yell now expects Q2 revenues to be around 17% lower and Q2 EBITDA to be around 30% lower than the comparable period last year.

Reported results will again reflect the benefit of the average exchange rates prevailing during the period. (The average exchange rates during Q2 last year were \$1.88:£1 and €1.26:£1.) Covenant headroom at 30 September, 2009, is expected to be around 7%.

The Group's cash flows and cash conversion remain strong, and Yell continues to expect to make further repayments of debt after meeting all interest payments.

Yell will report Q1 2010 results on 23 July, 2009.

Enquiries

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